

Information Request CLF-NSTAR-1-1

Refer to Mr. LaMontagne's rebuttal testimony (Exhibit NSTAR-HCL-7), p. 20. On lines 21-23 Mr. LaMontagne states that "...to the extent that customers desire firm standby service, the proposed standby rate should not have a large effect on the economics of those types of renewable DG technologies." Please elaborate upon this analysis, explaining with specificity what range or amount of "effects on ... economics" was considered to be "not ... large" by Mr. LaMontagne and provide a detailed explanation for his conclusion, including all documents and work papers used in said analysis.

Response

The Company's testimony is based on the relatively small difference between annual as-used charges under the otherwise applicable rate schedule and the charges under the proposed standby rates for these customers. For example, as described by Mr. Michelman, the presence of on-site wind generation does not alter a customer's monthly peak metered demand. In addition, the Company notes that a number of the example calculations provided in the testimony of Mr. Greene indicate that customers with solar installations benefit from the proposed standby rate as compared to the otherwise applicable rate schedule.

Information Request CLF-NSTAR-1-2

Refer to Mr. LaMontagne's rebuttal testimony (Exhibit NSTAR-HCL-7), p. 20. Specifically, on lines 7-11 Mr. LaMontagne responds to a question regarding Mr. Michelman's statement that the proposed rate "reduces incentives to install larger rather than smaller wind turbines" without explicitly stating whether he agrees that the rate would have such an effect. Please clarify Mr. LaMontagne's response to state with precision whether he agrees that the rate would have the effect of reducing "incentives to install larger rather than smaller wind turbines".

Response

The proposed standby rates reduce the current inappropriate incentives for installing larger rather than smaller wind turbines. The Company has demonstrated that distribution costs are mainly fixed. Consequently, it is inappropriate to provide distribution cost saving signals on the basis of average rates applicable to intermittent variable use. The added amount of variable internal customer load supplied by the larger wind turbine must be justified by variable cost savings that are external to the distribution system.

Information Request CLF-NSTAR-1-3

Refer to Mr. LaMontagne's rebuttal testimony (Exhibit NSTAR-HCL-7), p. 20 and the new tariff proposed in NSTAR-HCL-10. Does the new tariff proposed in NSTAR-HCL-10 have the effect of reducing incentives to install larger rather than smaller wind turbines? In particular, what effect would the new tariff have on the economic incentives of the customers discussed by Mr. Michelman in his testimony to install a 2 MW wind turbine instead of a 250 kW wind turbine.

Response

Please refer to the Company's response to Information Request CLF-NSTAR-1-2.